

INVESTIGATIVE MEMORANDUM

Confidential

subject: "The Star Chamber" and White Eagle Underground in Texas Gulf Area
Date: 31 March 1997
Investigator: CJ

BACKGROUND

The investigator received a call prior to Thanksgiving from a woman currently living in Cypress, Texas (a Houston suburb) named Belinda Schultz. Ms. Schultz, age 41, disclosed that she had learned about the inquiry into white supremacist terrorism centering on New York City through a third party. Apparently one of the psychotherapists present at the Dallas office where an investigation had been conducted several weeks before (see memorandum of 11 November 1996) relayed information about the inquiry to a cult investigator in the Houston area who was close to Ms. Schultz.

Ms. Schultz related details of her case over the telephone in a manner that sounded extremely professional and credible. The details seemed to match the general picture with which the investigator was working in Texas. She also FAXed numerous pages of background information, including a police report. The case centered on felony child abuse charges filed against her ex-husband Paul Schultz in Brazoria County south of Houston. The ex-husband had allegedly sodomized her son Nicholas, who is currently six years old, in a severe manner over a period of many months. The sodomy had allegedly taken place in the context of "satanic" and/or "luciferian" cult activity perpetrated by associates of Paul Schultz. The cult is also neo-Nazi in its political aims and seems to be associated with terrorist planning, particularly bombings and assassinations. Child witnesses repeatedly describe personnel wearing Nazi uniforms and insignia as well as portraits and acts of veneration for Adolf Hitler.

Over a period of two months beginning in mid-January and continuing through March the investigator interviewed numerous persons who had knowledge of the case and knew Belinda Schultz and Paul Schultz. The investigator did not directly interview the child but was present on several occasions when the child spontaneously offered information to his mother, or was gently questioned by his mother about the case. The investigator was impressed at all times with the extreme professionalism, determination, and competency of the mother in this matter as well as the intelligence, consistency, and ability to construct plausible stories on the part of the child. Ms. Schultz' reputation in the community is also very high. The investigator spoke on one lengthy occasion with Carlton Collier, a key representative of Houston-based Justice for All, which is a citizens advocacy group. Ms. Schultz had made a four-hour presentation to the group in the summer of 1996. The group had taken a significant interest in the case and was pursuing it vigorously just prior to the tragic death of the group's leader, Ms. Pam Lynchner, in the crash of TWA Flight 800. — interesting

PROFILE OF PRINCIPALS

Belinda Schultz (d.o.b. 28 April 1955) is an extremely bright, personable, and voluble woman who is currently employed as a recruiter in the personnel division of [redacted]. She was previously in the commercial air conditioning and air filtration business with her ex-husband. The two of them together managed a small company which had been previously owned by Paul's father Carson Schultz. Ms. Schultz has stated that she basically ran the business because her ex-husband had a continuing

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Charlton Joe - check who is Charlton Joe?
DALLAS FBI?

Verify
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substance abuse problem involving drugs and alcohol. She also stated that she and her husband at the time had high security access because of their business to all the major petroleum refineries along the Gulf Coast.

Ms. Schultz grew up in Lafayette, Louisiana and married a salesman in the oil business named Lanny Slaydon. The marriage was dissolved in the early 1980s, and Ms. Schultz moved to Houston where her parents and siblings were residing. She has four children by her marriage to Mr. Slaydon, who range in age from 18 upwards.

Paul Schultz (d.o.b. unknown) is currently in his mid-40s. He is under indictment in district court in Brazoria County (County Seat Angleton) for felony child abuse. He apparently grew up in the Houston area and at one time was married to a certain Molly Ann Schultz, by whom he had a child. He is the natural father of Nicholas Schultz. He is currently employed with Custom Air Products on Hempstead Road in Northwest Houston. Little personal information could be obtained about him. Ms. Schultz stated that he concealed his past even during their marriage. She also stated that she had been told by his mother that both he and his brother "Buddy", who is also in the air conditioning and filtration business, were connected to "the mafia."

Nicholas Schultz (d.o.b. 1 June 1990) is a blonde, blue-eyed, vivacious six-year-old male child who has been treated for severe trauma and sexual abuse in connection with the current proceedings. Although his IQ has not been tested, he seems far more intelligent and articulate than most children of his age. As a result of prolonged therapy and maternal nurturing, he has apparently recovered from the trauma, which took place between the ages of 2 and 4. He is able to describe past experiences in vivid detail and without the kind of emotional upset which apparently was routine as recently as six months ago.

FINDINGS

The investigator has come to the following conclusions with a fairly high confidence level. While much of the basic information comes from stories told by the child, and/or related by the mother, matching and cross-checking with other data and sources yields the following:

- * Paul Schultz through family history and connections has apparently been associated with the leadership of the White Eagle Underground in the Houston area. The stories and incidents described by Nicholas, as well as another child named Lauren Roberts whose father was allegedly involved in "the cult", are consistent with what is known about the mode of operation and the facilities used by the WEU. The investigator, however, was able to identify one facility which the child and the mother thought was in Texas, but in fact is in Colorado. That facility is the Sedalia (CO) complex referenced in an earlier memorandum. - See Memorandum Baily, CO connection. ★

- * Mr. Schultz apparently took Nicholas to meetings and facilities used by the WEU for social and religious reasons rather than political or strategic purposes. Because of the child's alleged pure "Aryan" bloodline, he was apparently tapped at early age for leadership. The child described incidents where adults in Nazi uniform actually "prayed" to him. He also describes conversations with a woman named "Lilla" or "Ms. Lilla", who offered to be his stepmother after his natural mother had been "killed". According to Belinda Schultz, Nicholas has identified "Ms. Lilla" as "Lilith Aquino," wife of Michael Aquino, former Lt. Colonel in U.S. Army Intelligence and head of the Temple of Set.

* Ms. Schultz seems to have been purposefully selected by both her ex-husband and the cult for the breeding of Nicholas because of her alleged "bloodline." The nature of that bloodline is unclear at this time, and neither Ms. Schultz nor her parents seem to be aware of what the white supremacists view as crucial to their plan of genetic engineering. Ms. Schultz' family is unclear at this time about its genealogy.

* The "cult" in question is *what military & domestic intelligence?* apparently the same as a secretive group known to military and domestic intelligence officials as "The Star Chamber." The Star Chamber is the decision-making cadre of the White Eagle Underground and consists of high-level rogue intelligence agents from the CIA, the Army, and the Air Force as well as foreign terrorist operatives, particularly from Germany and Russia. The children describe men in military uniforms who refer to themselves as "First Star", "Second Star" etc. According to one highly reliable source, that is nomenclature used by the Star Chamber. The children also describe "circles of stars" at the facilities which are the emblems of the Star Chamber. The Star Chamber has been implicated in various covert operations over the years involving drugs, weapons, and even child slave shipments from Latin America, particularly Mexico.

The connection with Mexico is brought out in one Star Chamber operative known as Tenurio (or Tenaudio) Luga. Mr. Luga was apparently a homosexual lover of Paul Schultz, who was bi-sexual in his orientation, and was allegedly involved in the sodomization of Nicholas. Mr. Luga was known personally to Ms. Schultz and other members of the Schultz family. (Mr. Luga is also known well to the Bureau of Alcohol, Tobacco, and Firearms in the Houston area and has been under investigation for weapons stockpiling and threats of bomb-making. The investigator was shown a mug shot of him by one BATF official. Other sources have suggested that Mr. Luga may also be a BATF informant and has close ties both to the CIA and to the Salinas gang that formerly ran Mexico and is currently under international scrutiny for alleged drug trafficking and money laundering. [It is unclear whether Mr. Luga is a Mexican national. It has also been suggested that he may be Arabic and from a country in the Middle East such as Libya.]

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* Because the children describe repeatedly having seen stockpiles of advanced weapons, including planes and helicopters, as well as having heard boasts of "blowing up the world", it is likely that the WEU under the command of the Star Chamber is planning major assaults on government facilities. [Threats of such a nature against military bases were reported in the Seattle Post-Intelligencer on 26 February, 1997.] It is believed that the command center for these operations may be the Houston, Texas area, including the Texas Perfection Ranch (which Nicholas describes having visited) southwest of Montgomery and Nicholstone on the Bayou (a large antebellum home) in Dickinson near NASA facilities. [Nicholas reports having been part of a conversation in which the reputed terrorists were planning to "blow up the mountain." We believe that the "mountain" is Cheyenne Mountain in Colorado Springs where NORAD is housed. The plausibility of this threat cannot be assessed at this time.]

MEMORANDUM

TO: [REDACTED]
FROM: Choctaw Joe
DATE: October 28, 1996
SUBJECT: Terrorist Threat Against NYC

This memorandum is to summarize the pertinent information discussed in our telephone conversation of the afternoon of October 25. It is in response to your inquiry regarding the threat against the city of New York and what cult/criminal organization with ultra-right militia ties is capable of launching biological and chemical warfare to fulfill that threat.

SOURCE OF THREAT. It is our belief that the international criminal infrastructure generally known as "White Eagle" is the most likely candidate to launch such a threat. The White Eagle underground has been growing rapidly in power and influence throughout the United States since the early 1990s and, according to our sources, is closely allied with the Iranians and the Russian mafia in promoting active measures of a high-order terrorist and revolutionary nature against the people and the government of the United States. They are capable not only of infiltrating the domestic intelligence community, but of deploying and smuggling advanced weaponry into the hands of domestic operatives. According to a reliable source, a major multi-pronged terrorist strike is planned right

[REDACTED]

MOTIVATING IDEOLOGY. The motivating ideology of the White Eagle underground is the kind of "occult" white racism nurtured within the Russian and German theosophical movements of the early nineteenth century, which has been responsible for the virulent and genocidal racism and anti-semitism of the National Socialist movement in Germany. The White Eagle underground has been a major influence on the more extreme elements of the American Patriot movement and, interestingly but not inexplicably, on secessionist forces among certain American Indian nations, particularly the Cherokee and the Lakota, that are led by "white Indians" or half-breeds.

The mythology behind this ideology reinforces at a deeper psychological level the "Christian Identity" theology that drove the Aryan Nations gangs of the 1980s and led to the assassination in Denver of Jewish talk show host Alan Berg. The Aryan Nations incident of that period might be considered a "trial balloon" for what has been planned for over a decade as a major uprising in the late 1990s. The goal of the White Eagle underground is simple: cause terror, wreak havoc, and spread anarchy throughout

the population, while seeking to bring down the government of the United States and to "cleanse", or to exterminate methodically, undesirable elements of the population, particularly Jews, African-Americans, Southern Europeans, and Protestant Evangelicals who oppose their occult and racist policies.

TARGET POPULATIONS AND TERRORIST MODE OF OPERATIONS. Our sources indicate that the "uprising" will target large and mid-size cities primarily on the West Coast and East Coast as well as major federal centers in the Midwest such as Denver and Kansas City. Terrorist actions will include bombings, assassinations, and selected use of chemical and biological agents against presumed "enemies of the New Order." "Superbugs", including strains of botulism, typhoid, and anthrax, secretly developed by the Soviets during the Cold War and currently under the control of radical regimes in the Middle East, may be injected by field operatives into food and water supplies as well as used in covert assassination weaponry such as poisoned needles and stick pins. Field operatives have already been trained within certain domestic secret societies, particularly so-called "satanist" or "Maoist" groups, to carry out the operation.

FINANCING AND CENTERS OF OPERATION. Financing for the White Eagle operations has come from various sources, but particularly laundered drug and contraband money. Administration of the operation has come through the Longoria family of Guadalajara, Mexico and the Montemayors of San Antonio, TX. The Perades family of Peru, monopoly owners of the cocaine fields of the Andean regions, has been the chief political strategists.

Centers of operation include Shambala Ashrama and Cherokee Ranch (Sedalia, CO), Church of the White Eagle Lodge (Montgomery, TX), Thunderhorse Ranch (Westpoint, TX), Bluestar Ranch (Clairmore, OK), the mid-cities area of Texas between Dallas and Fort Worth, and the compound of the Covenant, the Sword, and the Arm of the Lord (Eastern OK).

HISTORY OF THE WHITE EAGLE LODGE. The White Eagle Lodge is described in encyclopedias as a "spiritualist church."

That characterization is about accurate as the old state department memoranda which described Mao Tse Tung as an "agrarian reformer." The origins of the White Eagle Lodge are a secret, heretical society within the Catholic Church of Eastern Europe that dates back to the Middle Ages and was associated with the Teutonic Knights. The national emblem of Poland is the White Eagle, which is also the symbol of St. John the Divine. The White Eagle ideology was most prominent for centuries in Byelorussia, or "White Russia."

The Cathedral of St. John the Divine in New York City has loose affiliations with the White Eagle Lodge. U.S. headquarters of the Church of the White Eagle Lodge is the St. John's Retreat Center (9 St. Beulah Lane, Montgomery, TX, in the Piney Woods for

Chapel City
about

north of Houston). The Knights of the White Eagle, as they were called up until the nineteenth century, were militant in the persecution of Jews and in the enforcement of the most vicious forms of persecution in Russia and in the Hapsburg domains. The Hapsburgs of Eastern Europe were, and are still today, primary sponsors of the White Eagle movement.

[REDACTED]

This merging of esoteric Catholicism and Tantric Buddhism formed the background for the rise of the "theosophical" movement in the nineteenth century, which found its way to Russia, to England, and to the United States.

The theosophists preached the "occult" superiority of the Aryan race, the falsity of historic Judaism and its derivative Christianity, and the need to rescue the earth from overpopulation and the spread of "inferior races". Theosophical teachings had more than an incidental impact on the formation of Nazi political doctrines. The common element of both Nazism and theosophy was the notion of the Aryan race as the genuine "seed of Abraham", the "true Jews" who were actually the lost tribes of Israel.

The White Eagle ideology found its way into the American intelligence community after World War II through a pre-German network that was housed at Cherokee Ranch. The Cherokee connection is explained by the Nazi belief in the fraternity between "the red root race of Atlantis", of whom the Cherokees were supposedly the purest example, and the "Aryans." Merritt Ruddle, close advisor to President Franklin Roosevelt, and one of the founders of the post-war CIA, owned Cherokee Ranch and later gave it over to his wife Marguerite "Tweet" Kimball, whose father Colonel Kimball of Chattanooga, Tennessee had been a prime mover in the growth of the post-WWI Ku Klux Klan. Right after World War II the "Sedalia complex", as it was called, operated through a neo-theosophical group called the Brotherhood of the White Temple, which was the more political and violent arm of the White Eagle Lodge.

During the 1960s the White Eagle Lodge through its organized crime partners became the main sponsors of rogue intelligence operations, including drug and weapons smuggling, child pornography, and psyop experimentation. While these rogue operations were kept subordinate to legitimate intelligence activities by numerous presidents up until the early 1990s, they have taken on a life of their own in the past five years.

It is our view that most of the mysterious and "unsolved" terrorist acts of the past few years, including the Oklahoma City bombing, have been the work of the White Eagle underground.